

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Rulon Crosby, Claimant v. Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.,
Gregg W. Whelan, and Jack Grubman, Respondents

Case Number: 03-00153

Hearing Site: Salt Lake City, Utah

Nature of the Dispute: Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Alexander Novak, Esq.
Kim Steven Juhase, Esq.
Novak, Juhase & Stern
Roseland, New Jersey

For Respondents:

Peter R. Boutin, Esq.
Kelly J. Moynihan, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: January 7, 2003

Amended Statement of Claim filed: November 3, 2003

Claimant's Uniform Submission Agreement signed: December 31, 2002

Joint Statement of Answer filed by Respondents: March 27, 2003

Joint Statement of Answer to Amended Statement of Claim filed: November 17, 2003

Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.'s Uniform
Submission Agreement signed: March 19, 2003

Respondent Jack Grubman's Uniform Submission Agreement signed: March 21, 2003

Respondent Jack Grubman's Uniform Submission Agreement signed: March 21, 2003

Respondent Gregg W. Whelan's Uniform Submission Agreement signed: March 18, 2003

CASE SUMMARY

Claimant alleged suitability, breach of contract, fraud, negligence, breach of fiduciary duty, misrepresentations and omission of facts, and failure to supervise in connection with the management of an Individual Retirement Account (IRA), and the purchase of common stocks from various telecommunications companies including Global Crossing, PSI Net; XO Communications, Inc., Metromedia Fiber Network Services, Inc., and WorldCom, Inc.

Respondents denied the allegations of wrongdoing set forth in the Claimant's statement of Claim and raised the affirmative defenses of assumption of the risk, ratification, waiver, estoppel, laches, contributory negligence, third party liability, failure to mitigate damages, statute of limitations, suitability, lack of proximate cause, and adequate supervision.

RELIEF REQUESTED

Claimant requested actual damages of \$550,000.00, treble damages, interest at a rate of 12% per annum, punitive damages in an amount to be determined by the Panel, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, expungement of all references to the Claim from Gregg W. Whelan's Central Registration Depository (CRD) Record, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On July 8, 2003, Claimant filed a Motion to Amend Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(b). On November 3, 2003 the Panel granted the Claimant's Motion to Amend.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

STIPULATION

Pursuant to the resolution voluntarily negotiated by the Parties to this matter, it is hereby stipulated by Claimant and Respondents, by and through their undersigned attorneys, that:

1. Claimant has reached a settlement with all Respondents. All of Claimant's Claims asserted against Respondents are hereby dismissed with prejudice.
2. Claimant does not object to the Panel rendering the following award:

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gregg W. Whelan's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Gregg W. Whelan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

AWARD

After considering the Stipulation and the Parties' request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondents have entered into a confidential settlement agreement.
2. Claimant's claims are dismissed in their entirety with prejudice as to all Respondents.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gregg W. Whelan's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Gregg W. Whelan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. All other relief requested and not expressly granted is denied with prejudice.
5. The parties shall bear their respective costs, including attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: November 10, 2003	1 session

(3) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 3,600.00
Pre-hearing conferences: July 21, 2003	1 session
October 17, 2003	1 session
November 3, 2003	1 session

Total Forum Fees	= \$ 4,050.00
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1. The Panel assessed \$ 2,025.00 of the forum fees to Claimant.
2. The Panel assessed \$ 2,025.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant Rulon Crosby is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 2,025.00
Total Fees	= \$ 2,525.00
<u>Less payments</u>	= \$ (1,575.00)
Balance Due NASD Dispute Resolution	= \$ 950.00

2. Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ (8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., Gregg W. Whelan, and Jack Grubman are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 2,025.00
Less payments made by Salomon Smith Barney, Inc. n/k/a Citigroup <u>Global Markets, Inc.</u>	= \$(3,300.00)
Refund Due Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.	= \$(1,275.00)

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

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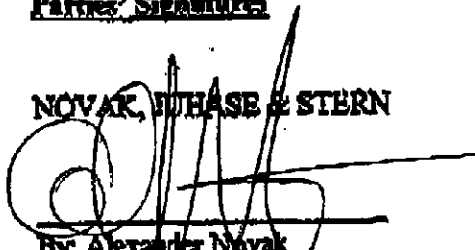
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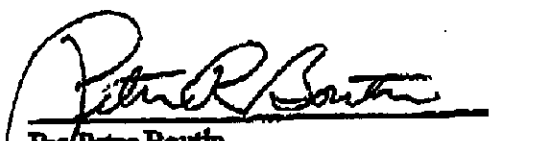
Parties' Signatures

NOVAK, JUHASE & STERN


By: Alexander Novak
Kim Steven Juhase
Attorneys for and on behalf of
Claimant Rulon Crosby

12/04/04
Signature Date

KEESAL YOUNG & LOGAN

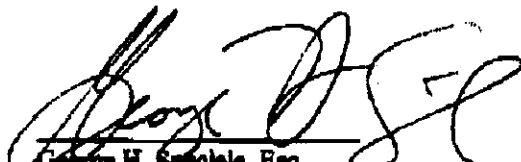

By: Peter Boutin
Kelly Moynihan
Attorneys for and on behalf of Respondents


8/12/04
Signature Date

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ARBITRATION PANEL

George H. Speciale, Esq.	-	Public Arbitrator, Presiding Chair
Nyle G. Barnes, Esq.	-	Public Arbitrator
Richard M. Benton	-	Non-Public Arbitrator


George H. Speciale, Esq.
Chair, Public Arbitrator


Signature Date

Nyle G. Barnes, Esq.
Public Arbitrator

Signature Date

Richard M. Benton
Non-Public Arbitrator

Signature Date


Date of Service

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Nyle G. Barnes, Esq.	-	Public Arbitrator
Richard M. Benton	-	Non-Public Arbitrator

George H. Speciale, Esq.
Chair, Public Arbitrator

Signature Date



Nyle G. Barnes, Esq.
Public Arbitrator

1. 3. 2005

Signature Date

Richard M. Benton
Non-Public Arbitrator

Signature Date

1/4/05
Date of Service

NASD Dispute Resolution
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ARBITRATION PANEL

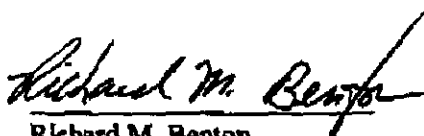
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Nyle G. Barnes, Esq.	-	Public Arbitrator
Richard M. Benton	-	Non-Public Arbitrator

George H. Speciale, Esq.
Chair, Public Arbitrator

Signature Date

Nyle G. Barnes, Esq.
Public Arbitrator

Signature Date


Richard M. Benton
Non-Public Arbitrator

12-30-04
Signature Date

1/4/05
Date of Service